REMARKS/ARGUMENTS

The Final Office Action mailed on April 16, 2010 rejected claims 1-21. In response, Applicants filed a Request for Continued Examination and this amendment canceling claims 18-21 and amending independent claims 1 and 17. Applicants hereby request reconsideration of the application in view of the amended claims and the below-provided remarks.

Applicants previously amended claims 1 and 17 to incorporate the language of canceled claim 2, i.e., specifically, language relating to the limitation of "manipulating at least the first sub-picture comprises replacing compressed picture blocks of the first sub-picture with compressed picture blocks of a different picture *without changing the control data*." Applicants contend that the Kalluri reference (US Pat. No. 6,931,660) does not teach such manipulation *without changing the control data*. The Examiner indicated that he understood the distinction, but suggested that under a broad reading of Kalluri, a sub-pictures could be manipulated by modifying *either* the MBAI LVC or SCC (i.e., meaning that one might not be modified). While Applicants disagree with this interpretation of the Kalluri reference, in the interests of expediency Applicants have provided additional language to the independent claims in order to further clarify the distinction. Particularly, the Applicants have revised the claims to specify that the manipulation of sub-pictures is performed "*without changing control data that is related to the position of picture blocks or slices*." As explained in Kalluri, the MBAI LVC is a variable length codeword that is indicative of the position f a slice from the left edge of the display. [Kalluri, 10:57-62.] The SCC or "slice startcode" is indicative of the vertical position of the slice. For example, the last byte of the SCC indicates the row of macro blocks on which the slice belongs. [Kalluri, 10:44-56. Kalluri teaches that manipulating a sub-picture must involve modifying at least some control data related to the location of macro blocks or slices (i.e., SCC and/or MBAI LVC). Amended claims 1 and 17 now clarify that the claimed manipulation is performed *without modifying control data related to the position of a picture block or slice.* Because Kalluri cannot manipulate a sub-picture without modifying control data related to the location of picture blocks or slices, it does not disclose—and indeed, teaches away from—the claimed inventions.

Because this limitation is not disclosed by any of the prior art, none of the references, nor their combination, teaches all of the limitations of amended claims 1 and 17. For these reasons,

Applicants respectfully assert that a *prima facie* case of obviousness has not been established with respect to amended claims 1 and 17 and request their allowance.

CONCLUSION

Applicants respectfully request reconsideration of the claims in view of the amendments and remarks made herein. A notice of allowance is earnestly solicited.

The Commissioner is authorized to charge any deficiencies in fees and credit any overpayment of fees to Deposit Account No. 07-1896.

Respectfully submitted,

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